



# DETERMINATION OF MERGER NOTIFICATION M/15/060- TRINITY MIRROR/ LOCAL WORLD

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Trinity Mirror plc of Local World Holdings Limited

Dated 26 November 2015

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#### Introduction

1. On 28 October 2015, in accordance with sections 18(1)(b) and 18(5) of the Competition Act 2002, as amended<sup>1</sup> (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed transaction whereby Trinity Mirror plc (“Trinity Mirror”) would acquire the remaining issued share capital in Local World Holdings Limited (“Local World”) that it does not currently own and thus would acquire sole control of Local World.
2. Given that the acquirer, Trinity Mirror, carries on a “media business” within the State and the target, Local World, carries on a “media business” elsewhere, the proposed transaction constitutes a “media merger” (as defined in section 28A(1) of the Act) for the purposes of Part 3A of the Act.

#### *The Proposed Transaction*

3. Trinity Mirror, which currently holds 19.98% of the shares in Local World, entered into a Share Purchase Agreement on 28 October 2015 with the other shareholders<sup>2</sup> in Local World (“the Vendors”) to acquire the remaining 80.02% shareholding in Local World. As such, following completion of the proposed transaction, Trinity Mirror will hold the entire issued share capital, and thus sole control, of Local World.

#### The Undertakings Involved

##### *The Acquirer*

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<sup>1</sup> It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.

<sup>2</sup> The other shareholders in Local World are: (i) Daily Mail and General Holdings Limited; (ii) the Honourable Edward Richard Iliffe; (iii) the Trustees of the 1997 A&M Funds of Lord Iliffe's Settlement dated 1 April 1969; (iv) Torchlight Fund LP; (v) David Montgomery; (vi) Rowanmoor Trustees Limited, re DM; (vii) Odey European Inc. (viii) OEI MAC, Inc. and (ix) Glenrinnis Farms Limited.



4. Trinity Mirror is a United Kingdom (“UK”) newspaper publisher with a portfolio which includes five national newspapers<sup>3</sup>, 84 regional newspapers<sup>4</sup> and a range of digital products which build on its printed brands<sup>5</sup>. Several of Trinity Mirror’s national titles are distributed in the State, including the Sunday Mail and Irish editions of the UK national titles the Daily Mirror and the Sunday Mirror (i.e. Irish Daily Mirror and Irish Sunday Mirror)<sup>6</sup>, the Sunday Mail (Scotland) and the Sunday People.
5. For the financial year ended 28 December 2014, Trinity Mirror’s worldwide turnover was approximately €789.3 million. Within the State, for the same period, Trinity Mirror generated turnover of approximately €[...].<sup>7</sup>

### **The Target**

6. Local World is a UK publisher of regional/local newspapers with a portfolio of 16 daily titles, 2 Metro franchises, 36 paid weeklies and 29 free weeklies<sup>8</sup> and a portfolio of companion digital publishing websites. Local World’s titles are focussed on regional and local audiences in the UK and are not distributed to retail outlets in the State. Local World does not generate any turnover in the State from either its newspaper titles or the websites associated with its publications, nor from the sale of advertising space in any of its newspapers.
7. Local World generated worldwide turnover of €274.3 million<sup>9</sup> for the financial year ended 28 December 2014. Local World did not achieve any turnover as a result of the sale of goods or supply of services in the State during the same period.

### **Rationale for the Proposed Acquisition**

8. The notification states:

*“The objective of the Proposed Transaction is to increase [Trinity Mirror]’s regional newspaper offerings in the UK, thereby allowing [Trinity Mirror] to achieve greater cost synergies and efficiencies. “*

### **Third Party Submissions**

9. No submission was received.

### **Competitive Analysis**

10. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission

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<sup>3</sup> The UK national newspapers are Daily Mirror, the Sunday Mirror, The Sunday People, the Daily Record and the Sunday Mail (Scotland).

<sup>4</sup> The regional titles include the Liverpool Echo, the Manchester Evening News, the Evening Chronicle (Newcastle), the Birmingham Mail and the South Wales Echo (Cardiff).

<sup>5</sup> This includes websites associated with its UK national and regional newspaper titles.

<sup>6</sup> The Irish Mirror titles have a digital companion website; [www.irishmirror.ie](http://www.irishmirror.ie).

<sup>7</sup> The exchange rate applied is the average ECB sterling-euro reference exchange rate of £0.80612 = €1 for 2014.

<sup>8</sup> Its titles are all published in England and Wales and include, for example, the Bristol Post, the Leicester Mercury, the Nottingham Post and the Derby Telegraph.

<sup>9</sup> The exchange rate applied is the average ECB sterling-euro reference exchange rate of £0.80612 = €1 for 2014.



to define precise relevant markets since there is very limited horizontal overlap in the activities of the parties within the State.

11. There is no horizontal overlap between the parties with respect to sales of newspapers within the State given that Local World does not sell any of its UK newspaper titles within the State. Although there is minimal horizontal overlap between the parties in respect of the companion websites associated with the UK regional titles of both Trinity Mirror and Local World, which are accessible beyond the UK, these titles focus on news particular to specific regions in the UK and are not directed at an Irish audience. Moreover, Local World does not generate any turnover in the State from the websites accompanying its regional publications nor from sales of advertising space to Irish based customers.
12. There is no vertical overlap between the parties' activities in the State.
13. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary Restraints**

14. The Share Purchase Agreement between Trinity Mirror and the Vendors contains non-solicitation obligations on the Vendors. None of these restrictive obligations exceed the maximum duration acceptable to the Commission.<sup>10</sup> The Commission considers that these obligations are directly related to and necessary for the implementation of the proposed transaction.

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<sup>10</sup> In this respect, the Commission follows the approach adopted by the EU Commission in paragraph 20 of its "Commission Notice on restrictions directly related and necessary to concentrations" (2005). For more information see <[http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)>.



## **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Trinity Mirror plc would acquire the remaining issued share capital and thus sole control of Local World Holdings Limited will not be to substantially lessen competition in any market for goods or services in the State, and accordingly, that the acquisition may be put into effect subject to the provisions of section 28C(1)<sup>11</sup> of the Competition Act 2002, as amended.

For the Competition and Consumer Protection Commission

**Gerald FitzGerald**  
**Member**  
**Competition and Consumer Protection Commission**

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<sup>11</sup> Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.